

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - SPECIAL SESSION COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By **CHAIR DAVE LEWIS**, on August 7, 2002 at 8:15 A.M., in Room 102 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Dave Lewis, Chair (R)  
Rep. Edith Clark, Vice Chair (R)  
Rep. Matt McCann, Vice Chair (D)  
Rep. John Brueggeman (R)  
Rep. Rosalie (Rosie) Buzzas (D)  
Rep. Tim Callahan (D)  
Rep. Bob Davies (R)  
Rep. Stanley (Stan) Fisher (R)  
Rep. Dick Haines (R)  
Rep. Donald L. Hedges (R)  
Rep. Joey Jayne (D)  
Rep. Dave Kasten (R)  
Rep. Christine Kaufmann (D)  
Rep. Monica Lindeen (D)  
Rep. Jeff Pattison (R)  
Rep. John Sinrud (R)  
Rep. Joe Tropila (D)  
Rep. John Witt (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Taryn Purdy, Legislative Branch  
Mary Lou Schmitz, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing(s) & Date(s) Posted:

Executive Action: HB 21 - DPAA - 16-2  
HB 14 - DO PASS - 15-2  
HB 16 - DO PASS - 14-3

**Chairman Lewis** opened the meeting with announcements and the agenda.

**EXECUTIVE ACTION ON HB 16**

**Motion:** REP. HEDGES moved that HB 16 DO PASS.

**Discussion:** Representative Buzzas said she is not in favor of putting in place laws that are not needed. The legislature can direct the Department of Administration to include certification that these agencies have applied for their match prior to granting a loan.

In response to Representative Buzzas' comments, Representative Lewis said he has the advantage of having served for almost three years as director of the Department of Administration in the 1970s but he would have liked to have had this legislation in place. There are times when agencies come to the Department and say they have to have a general fund loan today or they can't pay their bills. They have not proceeded to compute billings in a timely basis but they put the Department in a tough spot of saying no, even though they should have done it properly, but didn't. It gives the Director a little extra "hammer" as far as dealing with those situations.

Representative Haines agreed with Chairman Lewis' viewpoint.

Representative Jayne asked if the \$855,703 will lower the deficit? Representative Lewis said if this Bill passes, the committee goes on the legislative fiscal analyst status sheet so that \$855,703 would reduce the deficit. What this will do is reduce the use of the general fund for loans to agencies. By doing so, it leaves more money in the general fund to earn interest so the money that is shown on the fiscal note comes from increased interest earnings because they are not loaning that money out to the agencies who have been delinquent in getting their billings done.

Representative Lewis said the Budget Director issued the fiscal note. They surveyed the agencies involved and accumulated that data and put the \$855,000 together based on what the estimates would be on the loans. The assumption is that outstanding loans in FY 2002 averaged \$42 million. They assumed 2% interest in FY 2003 so loans will be reduced by roughly \$42 million.

**Vote:** REP. HEDGES motion HB 16 DO PASS carried 14-3 with Representatives Buzzas, Jayne and Kaufmann voting no.

EXECUTIVE ACTION ON HB 14

Motion: REP. CLARK moved that HB 14 DO PASS.

Discussion: In answer to a question from Representative Kaufmann, Chairman Lewis quoted legislative salaries for Montana, Idaho, North Dakota, South Dakota and Wyoming, EXHIBIT(aph03a01)

Comments from Representatives Buzzas, Lewis, Jayne, McCann.

Vote: HB 14 DO PASS carried 15-2 with Representatives Jayne and Kaufmann voting no.

Vice Chair Clark presided at this time.

HEARING ON HB 22

Sponsor: Representative Lewis, HD 55 said this Bill is in the Governor's budget to take \$8 million out of the gas tax funds for the Department of Transportation and use those funds to pay for the motor vehicle program in this fiscal year at the Department of Justice. He referred to EXHIBIT(aph03a02)

Proponents: Chuck Swysgood, Director, Office of Budget and Program Planning said the reason the Bill is before the Committee, is the concern that everyone had because they didn't want to jeopardize HB 2 so it is a separate Bill.

Dave Galt, Director, Department of Transportation.

Opponents: Cary Hegreberg, Montana Contractors Association said dollars spent on construction results approximately 42 jobs created in the economy and those are direct jobs in construction and indirect jobs in supplies and transportation. With the federal match, that \$8 million multiplies to about \$50, \$65 or possibly \$70 million which is an opportunity cost of 2700 jobs.

Jerry Driscoll, AFL/CIO

Spook Stang, Executive Vice President, Montana Motor Carriers Association.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 29.4}

Questions from Committee Members and Responses: Representatives McCann, Kaufmann, Buzzas, Lindeen, Jayne, Sinrud to Director Swysgood, Representative Lewis, Mr. Hegreberg and Mr. Galt for clarification.

Closing by Sponsor: Representative Lewis closed the Hearing on HB 22. He said Greg Petesch, Director, Legal Services Office, advised him that it is entirely possible and probable that this would require a 3/5 vote. One equipment operator or one contractor could say the legislature is risking their long-term highway construction program.

EXECUTIVE ACTION ON HB 22

Motion: REP. HEDGES moved that HB 22 DO PASS.

Substitute Motion/Vote: REP. TROPILA moved that HB 22 BE TABLED. Motion carried unanimously 17-0.

HEARING ON HB 21

Sponsor: Representative Joe Balyeat, HD 32 said this Bill is an Act maximizing general fund revenue by enhancing collection of state members for indirect costs associated with federal and private grants and contracts, providing that an agency may not waive reimbursement for indirect costs and providing an immediate effective date. He referred to the fiscal note which will save the general fund \$1.5 million in this next year, another \$1 million in FY 2004 and another \$600,000 in FY 2005. It is a bipartisan issue. **EXHIBIT(aph03a03)**

{Tape : 1; Side : B; Approx. Time Counter : 0 - 27.1}

Proponents: Dave Galt, Director, Department of Transportation

Opponents: Dick Crofts, Commissioner, Higher Education  
**EXHIBIT(aph03a04)**

Lloyd Chestnut, Vice President, Research, University of Montana.

Questions from Committee Members and Responses: Representatives Jayne, Lewis, Hedges, McCann to Representative Balyeat, Commissioner Crofts, Mr. Chestnut for further clarification.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 29.5}

Further Questions from Committee Members and Responses: Representatives McCann, Pattison, Buzzas, Lewis, Kasten, Haines to Representative Balyeat, Commissioner Crofts for clarification.

Marie Matthews, Department of Public Health and Human Services also responded to a question from Representative Buzzas.

Closing by Sponsor: Representative Balyeat closed the Hearing on HB 21.

EXECUTIVE ACTION ON HB 21

Motion: REP. CLARK moved that HB 21 DO PASS.

Motion/Vote: REP. HAINES moved that HB 21 BE AMENDED, with a conceptual amendment on lines 18 and 21 to strike the words "including a unit" and replace that with "excepting units". Motion carried unanimously.

Motion/Vote: REP. KASTEN moved that HB 21 BE AMENDED, with a conceptual amendment to implement a technical note. HB002101.aem **EXHIBIT**(aph03a05) Motion carried unanimously.

Motion/Vote: REP. TROPILA moved that HB 21 DO PASS AS AMENDED. Motion carried 16-2 with Representatives Buzzas and Kaufmann voting no.

Vice Chair Clark presided at this time.

HEARING ON HB 20

Sponsor: Representative Butch Waddill, HD 62 said this Bill essentially eliminates the Governor's Office of Economic Development. He referred to Page 2, lines 8 and 9, line 21; Page 3, line 5; Page 4, line 15.

Proponents: None

Opponents: Dave Gibson, Chief Business Officer, State of Montana, Office Economic Development, **EXHIBIT**(aph03a06)

{Tape : 2; Side : B; Approx. Time Counter : 0 - 29.4}

Robin Hampton, Private Sector Business Consultant,  
Helena

Dick Kane, Missoula Area Economic Development  
Associations.

Vic Miller, Blaine County Commissioner

Alysha Bradshaw, Gallatin County

Questions from Committee Members and Responses: Representatives Kasten, Lindeen, Witt to Representatives Waddill and Lewis and Mr. Gibson.

{Tape : 3; Side : A; Approx. Time Counter : 0 - 29.2}

Further Questions from Committee Members: Representatives Sinrud, Hedges, Jayne, Fisher, Kasten, Kaufmann to Mr. Gibson, Mark Simonich, Director, Department of Commerce, for clarification.

{Tape : 3; Side : B; Approx. Time Counter : 0 - 27.2}

Questions from Committee Members and Responses: Representatives Kaufmann, Haines, Buzzas, Tropila, Pattison, McCann, Lindeen to Mr. Gibson, Mr. Simonich and Representative Waddill.

{Tape : 4; Side : A; Approx. Time Counter : 0 - 29.4}

Closing by Sponsor: Representative Waddill closed the Hearing on HB 20.

Vice Chair Clark adjourned the meeting.

{Tape : 4; Side : B; Approx. Time Counter : 0 - 2.9}

**ADJOURNMENT**

Adjournment: 11:50 A.M.

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REP. DAVE LEWIS, Chair

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MARY LOU SCHMITZ, Secretary

DL/MS

**EXHIBIT**(aph03aad)